

Congress of the United States House of Representatives

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The Honorable Ajit Pai Chairman Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

June 13, 2018

Dear Chairman Pai,

We write to you regarding the transaction between Sinclair Broadcast Group, Inc. and Tribune Media Company¹ currently pending before the Federal Communications Commission. Specifically, we write to express that while we believe the FCC should reject this merger outright, it is our opinion that approval should absolutely not be granted before the U.S. Court of Appeals for the D.C. Circuit rules on Free Press v. FCC,² given the implications of the UHF discount for the Sinclair-Tribune transaction.

Since the beginning of 2017, the Federal Communications Commission has undertaken a variety of actions without which the Sinclair-Tribune merger would not be lawful. These actions struck down protections that are crucial for the FCC's mission to promote localism and diversity in media, and called into question the FCC's commitment to protecting the public interest, which is one of its core purposes.³ One of these is the reinstatement of the UHF Discount.⁴ The goal of this letter is not to weigh in on whether or not this reinstatement makes sense. Rather, we would like to bring your attention to the harmful situation that could result should the FCC make a favorable decision on the Sinclair-Tribune merger before the D.C. Circuit has had the opportunity to rule.

¹ Federal Communications Commission, "Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Tribune Media Company to Sinclair Broadcasting Group, Inc. and Permit-But-Disclose Ex Parte Status for the Proceeding, Public Notice, MB Docket 17-179," July 6, 2017 32 FCC Record 5481 (https://www.fcc.gov/transaction/sinclair-tribune).

² Free Press et al. v. Federal Communications Commission et al., case number <u>17-1129</u>, in the U.S. Court of Appeals for the District of Columbia Circuit.

³ For example, section 310(d) of the Communications Act of 1934 (47 U.S.C. §310(d)) prohibits the transfer, assignment, or disposition of any license of a broadcast station unless the FCC determines that the public interest, convenience, and necessity will be served.

⁴ See Federal Communications Commission, "Amendment of Section 73.3555(e) of the Commission's Rules, National Television Multiple Ownership Rule, Order on Reconsideration, MB Docket 13-236," April 21 2017, 32 FCC Record 3903 (https://www.fcc.gov/document/reinstatement-uhf-discount).

Due process is important. Confidence in the courts ensures confidence in our laws and institutions. Undermining a decision-making process by the courts harms public confidence in the FCC's ability to make decisions that are consistent with public interest and current law. In Free Press v. FCC, the outcome of the case could have significant consequences for the Sinclair-Tribune merger. As you know, counting only the stations that Sinclair Broadcast Group owns, its national reach without the UHF discount is already 38.8% pre-merger. Regardless of any future comprehensive reevaluation of the Congressionally-set 39% national ownership cap, should the D.C. Circuit rule against the FCC, the Sinclair-Tribune merger would be unlawful.

If the FCC approves the merger before a D.C. Circuit decision that strikes down the UHF Discount, the FCC will have created government-sanctioned Sinclair dominance of the broadcast industry. No other company will be able to compete with the combined Sinclair-Tribune, but as importantly, nor should we want *any* content company to reach that scale of outsize power. We believe the gravity of this potential scenario alone should compel the FCC to either block the Sinclair-Tribune merger or at least wait until after the D.C. Circuit rules. A ruling from the D.C. Circuit could come in the next few months.

We strongly urge the FCC to seriously consider the implications of the aforementioned D.C. Circuit case for the Sinclair-Tribune merger and refrain from taking any actions to approve the transaction before the U.S. Circuit Court of Appeals rules on *Free Press v. FCC*. Though we believe this merger is not in the public interest and thus should be rejected outright, at the very least the FCC should not grant approval before the U.S. Court of Appeals for the D.C. Circuit rules on *Free Press v. FCC*.

Sincerely,

TONY CARDENAS

Member of Congress

YVETTE D. CLARKE

Member of Congress

ANNA G. ESHOO Member of Congress

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⁵ In addition, Sinclair operates and/or provides services to, but does not own, stations in the Wilkes Barre-Scranton Scranton, PA television market and the Gainesville, FL television market. Sinclair Broadcast Group, 2017 Annual Report, pp. 2-5, http://sbgi.net/investor-relations/#AnnualReports. Combined, those markets reach an additional 0.58% of U.S. television households.

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